

## Message Text

UNCLASSIFIED

PAGE 01 JAKARTA 12075 080218Z

ACTION H-03

INFO OCT-01 EA-06 ISO-00 SS-07 NSC-06 AID-01 /024 W

-----006325 080322Z /64

R 080132Z SEP 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 3708

USDOC WASHDC

INFO AMEMBASSY MANILA

AMCONSUL MEDAN

AMEMBASSY SINGAPORE

AMCONSUL SURABAYA

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

UNCLAS JAKARTA 12075

USDOC FOR OIM/OD JERRY MORSE

E.O. 11652: N/A

TAGS: OREP (DRINAN, ROBERT F.), BEXP, ID

SUBJECT: CODEL DRINAN

1. CONGRESSMAN DRINAN AND THOMAS MOORE, DIRECTOR IMC SINGAPORE, VISITED JAKARTA SEPTEMBER 1-3. WILLIAM PRICE, GAO, MEMBER OF CODEL, WAS HERE SEPTEMBER 1-2. DURING THE NEARLY TWO DAYS IN JAKARTA CODEL HAD IN-DEPTH DISCUSSIONS ON EXPORT PROMOTION WITH CHARGE, E/CM SECTION, DINAMIKA TRADE FAIR STAFF AND REPRESENTATIVES OF INDOENSIAN AND AMERICAN BUSINESS COMMUNITIES.

2. CODEL DRINAN VISITED JAKARTA WITH THE STATED GOAL OF LEARNING WAYS TO IMPROVE THE EXPORT PERFORMANCE OF AMERICAN FIRMS, ESPECIALLY SMALLER AND NEW TO EXPORT MANUFACTURERS. DURING DISCUSSIONS FOLLOWING POINTS WEREMADE TO CODEL.

A) FINANCING. INDONESIAN REPRESENTATIVES OF AMERICAN SUPPLIERS AND AMERICAN BUSINESS GROUP MEMBERS (AMCHAM)  
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STRESSED THAT IN INDONESIA FINANCING IS KEY TO MAINTAIN AND IMPROVE AMERICAN SUPPLIERS' MARKET SHARE. FOR SMALLER SUPPLIERS AS WELL AS MAJOR PROJECT BIDDERS ASSISTANCE OF EXIMBANK IS HIGHLY IMPORTANT, ESPECIALLY IN FACE OF HIGHLY COMPETITIVE FINANCING DEALS OFFERED BY JAPANESE, FRENCH AND GERMAN GOVERNMENT AGENCIES. COMPETITIVE FINANCING IS MORE IMPORTANT THAN LATEST

TECHNOLOGY.

B) SECTION 911. MEMBERS OF AMCHAM REPEATED THEIR WELL-KNOWN VIEWS TO CODEL.

C) FACILITATIVE PAYMENTS. AMCHAM DESCRIBED SEC RULINGS ON ILLEGAL PAYMENTS AS A DETERRENT TO AMERICAN OVERSEAS SALES. IN INDONESIA SMALLER, AS CONTRASTED TO LOCKHEED-TYPE, FACILITATIVE PAYMENTS ARE A REQUIRED WAY OF DOING BUSINESS. WITHOUT INCURRING THIS COST OF DOING BUSINESS AMERICAN FIRMS ARE AT A COMPARATIVE DISADVANTAGE HERE. SEC RULINGS IN THIS AREA HAVE THE EFFECT DISCOURAGING FIRMS FROM EXPORTING, SAID AMCHAM.

3. HUMAN RIGHTS. CONGRESSMAN DRINAN IN SEVERAL FORA WARNED THAT GOI IS IN DANGER OF HAVING USG MILITARY AND ECONOMIC ASSISTANCE CUT OFF BECAUSE MANY, PERHAPS A MAJORITY, IN CONGRESS PERCEIVE THAT INDONESIA HAS A PERSISTENT PATTERN OF VIOLATIONS OF INTERNATIONALLY RECOGNIZED HUMAN RIGHTS.

4. PRESS COVERAGE FOR CODEL WAS MODERATE WITH FOUR SHORT ARTICLES IN ENGLISH AND INDONESIAN LANGUAGE PRESS WHICH DESCRIBED CONGRESSMAN DRINAN'S VISIT AS A "TWO-DAY STUDY OF U.S. GOVERNMENT TRADE PROMOTION ACTIVITIES IN INDONESIA".

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5. THIS CABLE HAS NOT BEEN CLEARED WITH CODEL.  
RIVES

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NNN

## Message Attributes

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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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